

Executive Summary

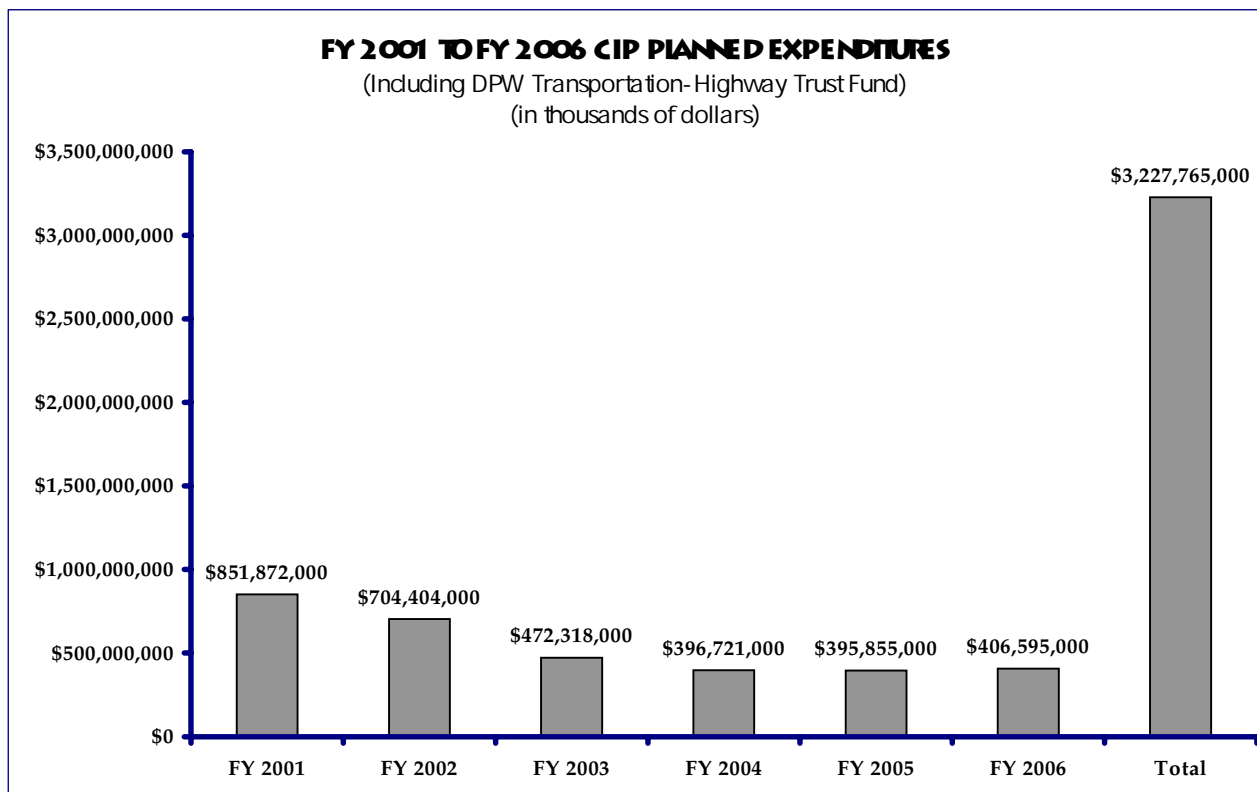
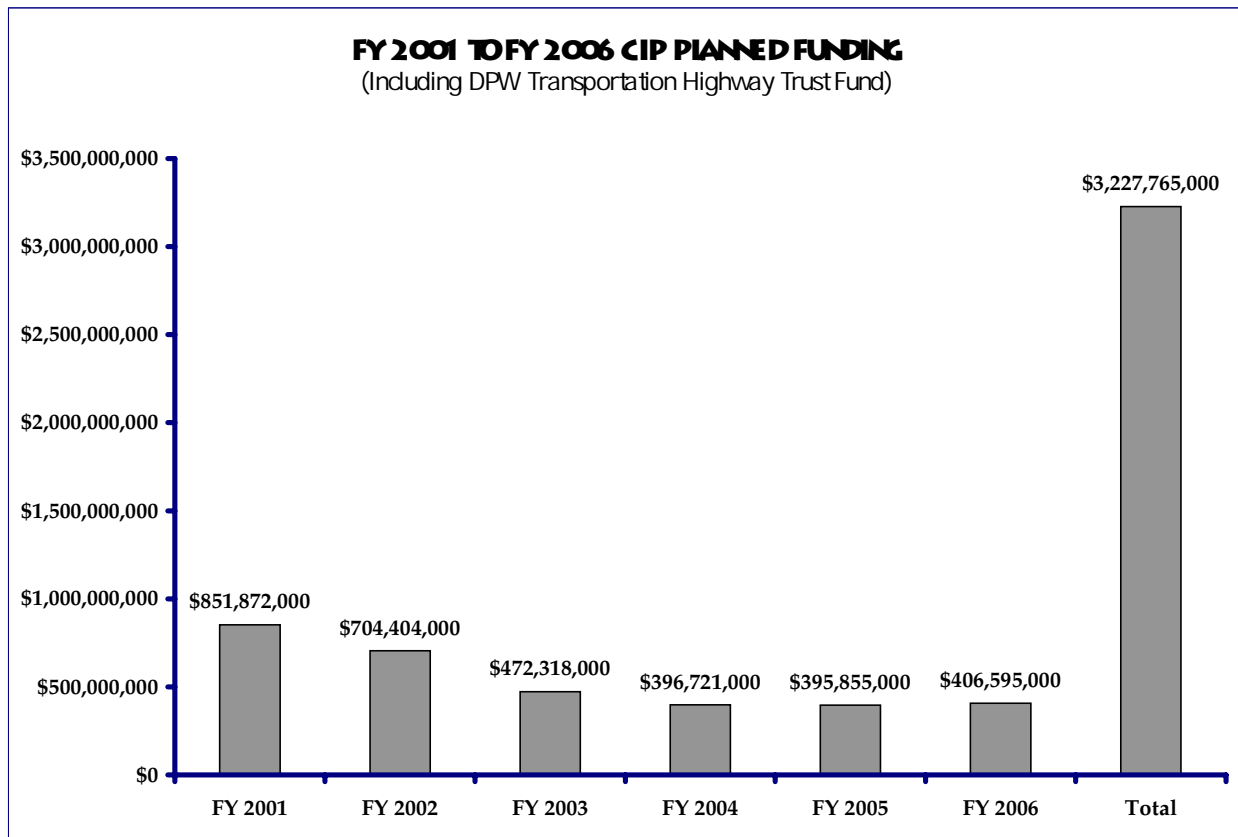
This executive summary provides an overview and introduction to the District of Columbia's (the "District") Capital Improvements Plan (CIP) and FY 2001 Capital Budget. It reviews the programmatic objectives from the FY 2000 Capital Budget and outlines the programmatic objectives for FY 2001. It also updates the future directions of the District's Capital Program.

FY 2001 to FY 2006 CIP and FY 2001 Capital Budget at a Glance

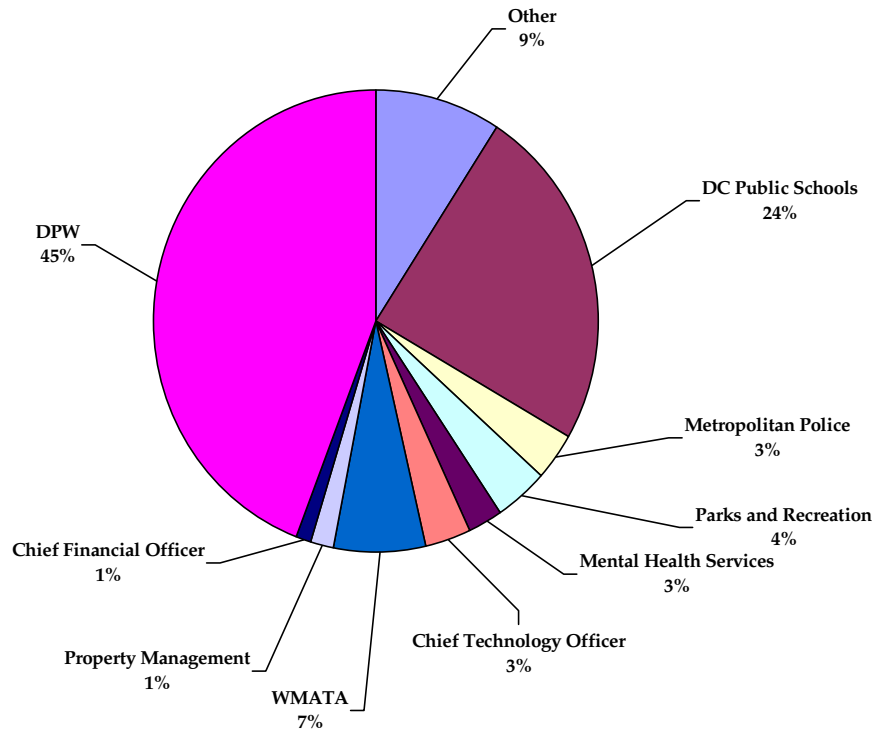
The table below provides a brief glance at the FY 2001 to FY 2006 CIP and FY 2001 Capital Budget.

Overview	Figure
Number of On Going Projects	86
Total Agency Requested Increases for On-Going Projects	\$591,121,538
Total Number of On-Going Subprojects	459
Number of New Projects	39
Total Agency Requested Increases for New Projects	\$438,853,851
Total Number of New Subprojects	285
Total Number of Projects	124
Total Number of Subprojects	745
Total Agency Requested Increases	\$1,084,262,389
Total FY 2001 Planned Funding	\$851,872,000
Total FY 2001 to FY 2006 Planned Funding	\$3,227,765,000
Total Number of Capital Funding Sources Utilized	6
Total FY 2001 Planned Expenditures	\$851,872,000
Total FY 2001 to FY 2006 Planned Expenditures	\$3,227,765,000
FY 2001 Appropriated Budget Authority Request	\$1,029,975,389
Percent of Total FY 2001 Capital Funding to Total FY 2001 General Fund Operating and Capital Funding	25.58%
Total Number of Capital Funded Positions	333

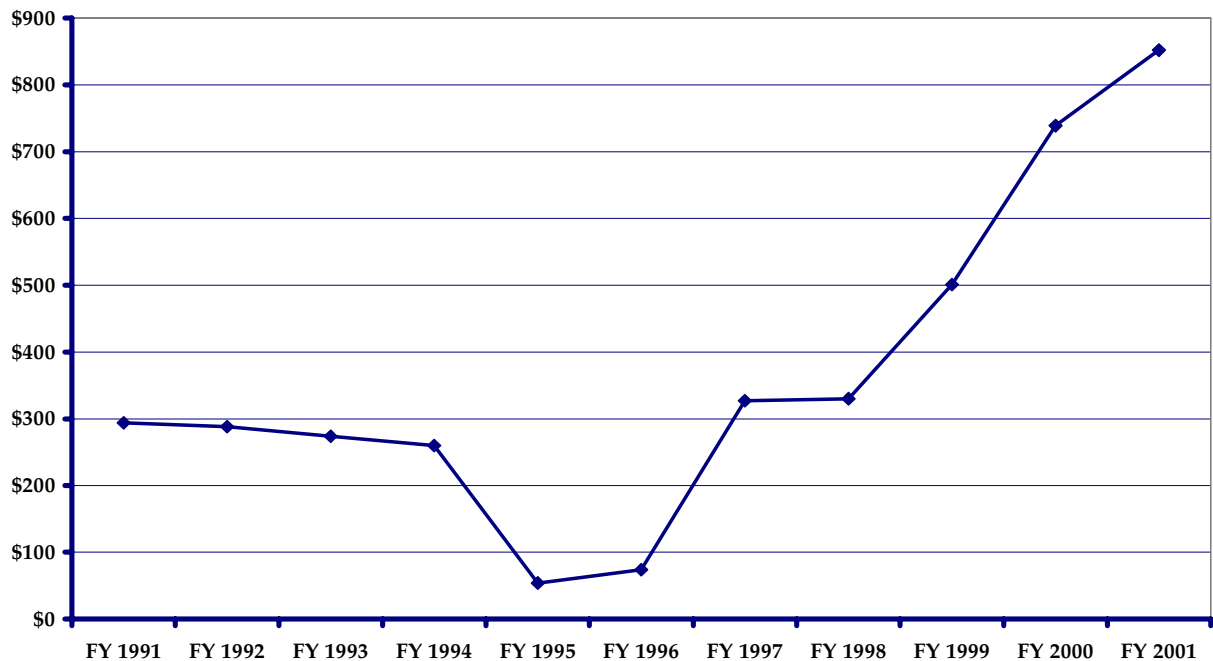
Shown on the following two pages are three charts identifying the scope of capital funding and expenditures, and one graphic showing the percentage of FY 2001 to FY 2006 planned expenditures by major agency. Chart one shows FY 2001 to FY 2006 CIP planned funding. Chart two shows FY 2001 to FY 2006 planned expenditures. Chart three shows the Capital Program over a ten-year period.



FY 2001 TO FY 2006 PLANNED EXPENDITURES BY MAJOR AGENCY
(Including DPW - Transportation Highway Trust Fund)



THE CAPITAL PROGRAM OVER A TEN YEAR PERIOD
(in millions of dollars)



Introduction

The past few years have seen major changes in the Capital Improvements Program (the “Program”). In FY 2000, the primary focus was on re-establishing the Program and reducing its size to an affordable and manageable level. Additionally, the FY 2000 Capital Budget addressed critical health and safety issues such as: removal and replacement of underground storage tanks, emergency school roof repairs, and critical repairs to local streets and highways.

During FY 2000, the Program shifted its focus to connecting resources to results and achieving budgetary stability. FY 2000 programmatic objectives included matching assets and liabilities, achieving comprehensive plan consistency and evaluating projects based on outcomes. With the introduction of a new performance measurement system, a new performance budgeting module, a new Executive Information System, and the implementation of the new System of Accounting and Record (SOAR), the Program made great progress in achieving these objectives. However, more can be done and it is now time to shift the emphasis of the Program to a more proactive role in shaping the District’s future.

The FY 2001 CIP is proactive. Its primary focus is on planning, project implementation and program efficiency. More emphasis is placed on planning to develop replacement schedules for capital investments, preparing accurate operating budget cost estimates for building maintenance, and compiling/identifying future infrastructure needs. There are resources devoted to enhancing project implementation to facilitate user and implementing agency interaction, analyzing planned project milestones against actual project completion schedules and evaluating project performance. Additionally, there are resources dedicated to monitoring the efficient use of public resources based on a set of benchmarks and performance measures.

As we move forward in the new millennium, the District’s Capital Improvements Program will be shaped to meet two critical challenges:

First, much of the District’s physical plant has deteriorated and must be rehabilitated or reconstructed on an accelerated schedule. Enduring assets, such as streets, municipal buildings and bridges were built at tremendous costs, and their decline (as a result of deferred maintenance) has had a far-reaching, negative effect on business activity, property values, service delivery, and ongoing operating costs. As new long-term capital improvements in the District’s physical plant are undertaken, they must be carefully planned and prioritized, supplemented with sound, on going maintenance programs.

Second, the capacity to implement projects on time, successfully, and within budget is a primary barrier to accelerated project implementation. Obstacles to timely project completion will have to be evaluated and measures implemented to resolve this issue.

While organizational changes are being undertaken to speed project implementation, the Capital Program will focus on:

- Managing the completion of existing projects in the “pipeline” and;
- Funding new projects based on an agency’s demonstrated ability to efficiently manage project implementation.

The FY 2001 Capital Budget also incorporates projects that advance the goals and objectives of the District's Comprehensive Plan. It is consistent with the policy initiatives of the Mayor, the vision of the National Capital Planning Commission, and feedback from the citizens of the District. It is in this way that the Capital Program is proactive; working together to succeed so that citizens can feel the impact of effective and efficient capital budgeting.

FY 2000 Programmatic Objectives in Review

The FY 2000 to FY 2005 CIP outlined five bold initiatives for the Capital Program. These initiatives were an ongoing effort to build on the successes made in prior years. The initiatives in FY 2000 clearly outlined and further reinforced the need for A) Productivity Improvement, B) Better-Cost Estimation, C) Dedicated Budget for Maintenance Repairs and D) Space Utilization. In retrospect, the FY 2000 to FY 2005 CIP laid the foundation for the development of strong fiscal discipline, controls and identified clear programmatic objectives.

During the past fiscal year, the Capital Program made great strides in addressing the initiatives stated above. Evidence of productivity improvements was demonstrated during the budget development process. Agencies are now working closer in developing better cost estimates and identifying operating dollars for deferred building maintenance. Completion of a citywide space utilization strategy is well underway and aggressive efforts have started to complete a Management Assessment of the entire Capital Program.

The challenges going forward will be a continuous push toward examining the program and identifying areas to improve service delivery, and accountability. The focus of the FY 2001 to FY 2006 CIP is on financing projects that directly impact and support the Mayor's key priorities of Building Healthy Neighborhoods, Strengthening Families, Children and Youth Investment, Making Government Work, Economic Development and Unity of Purpose.

The Capital Program remains committed to these six priorities and in developing a multiyear financial plan that encourages fiscal discipline and financial accountability.

FY 2001 Programmatic Objectives and Future Directions

In FY 2001, the District of Columbia's Capital Program (CIP) will continue its efforts in developing a long-range financial plan that matches assets to liabilities and outlines areas for management improvement. In FY 1999 – FY 2000, the District was mandated to correct and improve many programmatic deficiencies. Management Reform dominated the discussions on governmental reform and the projects in the CIP supported that notion. As we begin to develop the FY 2001 CIP, the focus remains on management improvement along with projects that foster economic development, investment in youth and community empowerment. Just as the FY 2000 CIP sought to protect and preserve the District's capital assets, so too will the FY 2001 Capital Program. The FY 2001 CIP is proposing the following initiatives:

Capital Improvements Program Management Assessment - A critical initiative identified in FY 1999 and stills remains an important goal in FY 2001 is the Management Assessment of all capital projects. The Assessment will be a complete analysis and evaluation of the Districts capital program. There will be a complete review of budget development, implementation and procurement policies with respect to the Capital Program. At the conclusion of the Assessment, a project financial database will be developed and strategies to improve productivity project management and program efficiencies will be recommended.

Streamline Budget Process- A major emphasis in the FY 2001 CIP will be to streamline the budget process. In FY 1999, the District implemented a new Financial Management System. As part of the conversion to the new system, agencies now have the ability to transmit data electronically. Aggressive efforts are currently underway to implement a financial tool of the system called Performance Budgeting. Performance Budgeting is a financial module that gives the agency the ability to develop, analyze, adjust and transmit annual budgets based on performance measures.

Service Delivery – Part of the effort in this year’s budget is to ensure that the citizens of the District of Columbia receive the services they expect and deserve. Service Delivery directly impacts productivity for which the Capital Program is establishing performance targets and benchmarks. Reports will be developed which benchmark selected services against comparable jurisdictions and past year performance. These targets will be used to evaluate business systems and programmatic operations.

Performance Audits and Investigations – Performance Audits and Investigations are another way to evaluate the performance and accuracy of agencies CIP. The Capital Program will begin conducting bi-monthly capital oversight meetings and begin visible site inspections of capital projects. These audits are necessary to ensure that the District’s Capital Program is efficiently executed and that capital projects are completed in a timely and cost-efficient manner.

Replacement Schedules – While efforts have begun to develop replacement schedules for capital assets, the District remains well behind other jurisdictions. It is our goal to develop on an agency wide basis an inventory of all capital assets and capital life-cycle replacement schedules. The replacement schedules will be another tool used to evaluate data as necessary to perform planning, budgeting and monitoring functions.

It is the mission of the Capital Program to continue working in developing standards and guidelines for all agencies. Included in these standards are accurate cost estimates, performance audits, and a replacement schedules of all capital assets.